. SHRI S. JAIPAL REDDY : That all.... *(Interruptions)...*

THE. DEPUTY CHAIRMAN : If be was not given permission there, that is,. (*Interruptions). .*

SHRI S, JAIPAL REDDY : i request Mr. Malaviya's right and explanation. merely did not expect the Chair to pass a remark.. *.{Interruptions)...*

THE DEPUTY CHAIRMAN : You don't interrupt the Chair. Thank you very much for your comments. I have had enough comments from most of you or how to run the House. I wish you would become the Deputy Chairman and rue the House better than I do... *(Interrup-tions). .I* feel very strongly that a Mem ber should have been given an opportu nity. That we have to give him now . .. *(Interruptions).. .*

SHRI S. JAIPAL REDDY : Don't repeat the mistake., *.(interruptions)...* Don't repeat the mistake... *(Interruptions).. .*

THE DEPUTY CHAIRMAN : Mr. Rameshwar Thakur.. *(Interruptions)* . Thakur Saheb, your personal explanation . . *(Interruptions)* . Please. I am allowing Mr. Rameshwar Thakur who has sought permission for a personal explanation.. . *(Interruptions)* . . Please. . *(Interruptions)* . . His personal explanation first . . *(Interruptions)* ..

PERSONNEL EXPLANATION

THE MINISTER OF STATE IN THE MINISTRY OF RURAL DEVELOPMENT (DEPARTMENT OF RURAL DEVELOPMENT) (SHRI RAMESHWAR THAKUR) : Respected Madam,.. *(Interruptions). .*

THE DEPUTY CHAIRMAN : Their names came in the report. They have asked* in right earnest for a personal explanation. They have a right to ask for it. How can you object to it ?. *.(Interruptions)* .. He has a right to ask for it. He should. Why should he not ?

SHRI RAMESHWAR THAKUR : Respected Madam, as an Hon. Member.... . . *(Interruptions)..*

SHRI P. UPENDRA : I am on a point of order. *(Interruptions)* ..

SHRI MENTAY PADMANABHAM (Andhra Pradesh) : Mr. Rameshwar Thakur's name is mentioned as a Minister. *(Interruptions). .*

THE DEPUTY CHAIRMAN : As a Minister and as a Member. He it a Member of this House. I have given hi'm an opportunity. I have given opportunity to many Ministers.. *{Interruptions)..*

SHRI MENTAY PADMANABHAM : That means now you will give an opportunity to seek clarifications on this. . . (*Interruptions) . .*

THE DEPUTY CHAIRMAN :

बैठ जाइए। बैठिए।

No clarifications.. *(Interruptions)* ..

SHRI MENTAY PADMANABHAM : Kindly understand my point. *(Interruptions)* . .

THE DEPUTY CHAIRMAN : Don't argue. Now T am not understanding your point. . *(Interruptions)* ..

SHRI MENTAY PADMANABHAM : The point is that the JPC has made some comments on Mr. Rameshwar Thakur as Minister of State in th* Finance Ministry.

उप सभापति : ठाकुर साहब , आप बोलिए।

SHRI MENTAY PADMANABHAM : Mr. S. P. Malaviya's case is totally different. You cannot treat both the cases on par. . *(Interruptions)* ..

THE DEPUTY CHAIRMAN : He is '' also a Member of this House.

आप बोलिए ठाकुर साहब। बोलिए।

SHRI RAMESHWAR THAKUR : R pected Deputy Chairman, as an Member.. . *(Interruptions')* . .,

श्री संजरिश गौतम (उत्तर प्रदेश) : मैडम, एक व्यवस्था का प्रश्न है ।

उपसभापति: नहीं कुछ नहीं । बैठिए ।

SHRI MENTAY PADMANABHAM : I am taking strong exception to allowing Mr. Rameshwar Thakur. . *(Interruptions)* ,.

THE DEPUTY CHAIRMAN ; I am not allowing anything. *(Interruptions).* , Let him speak. *(Interruptions)* ..

बैठिए।

SHRI MENTAY PADMANABHAM : . . to give a personal explanation. Kindly register my strong objection to this. (*Interruptions)* , .

THE DEPUTY CHAIRMAN Your objection is registered.

SHRI RAMESHWAR THAKUR : Madam Deputy Chairperson, as an Hon. Member I am grateful to you for having given me this opportunity to offer my personal explanation. The matter arose out of a letter.. *(Interruptions)*..

SHRI MENTAY PADMANABHAM : Madam, who are the others who sought permission to give personal explanation ? . . *(Interruptions).* .

उपसभापति : बैठिए । बैठ जाइए । . (व्यवधान) . . .बैठिए ।

SHRI MENTAY PADMANABHAM : Is Mr. Manmohan Singh also coming over here to give his personal explanation ? . . (*Interruptions).* .

THE DEPUTY CHAIRMAN . Whoever seeks we permit them. . *(Interruptions)*..

SHRI MENTAY PADMANABHAM : What is the rule ? *(Interruptions)*.... I like to know from the Chair how Members of this House have sought permission to give their personal explanation . *(Interruptions)*..

THE DEPUTY CHAIRMAN : I know. This is very new. This is a new proceeding in this House. . *(Interruptions).* .

SHRI MENTAY PADMANABHAM : Is the Finance Minister one of them ?... {*Interruptions)* ....

THE DEPUTY CHAIRMAN : Please sit down. When a Member seeks express permission for personal explanation the Chair gives the permission became it i* his right. I. from this position, will never curtail the right of any Member from any side of the House. You must note... (Interruptions) ....

SHRI MD. SALIM (West Bengal) : The question is : How many Member? have sought permission ?

THE DEPUTY CHAIRMAN : Mr. Malaviya and Mr. Thakur.

SHRI MENTAY PADMANABHAM : Who are the others ? What about Mr. Manmohan Singh ? ..*(Interruptions).* ..

THE DEPUTY CHAIRMAN : I don't know ...(*Interruptions)*... Just a minute. Please sit down... *(Interruptions)* ... I don't go and ask people to give their personal explanations. They come to me. You should know this also. *(Interruptions)*

SHRI SOMAPPA R. BOMMAI (Orissa): Madam, I am on a point of order---------- *(Interruptions)*....

THE DEPUTY CHAIRMAN : What i* your point of order ?

SHRI SOMAPPA R. BOMMAI : Madam, you are good enough to permit Members to give personal explanations. It

is your discretion and it is the Member's right. I don't question it. But I wonder how a personal explanation is allowed before the discussion on the report.

THE DEPUTY CHAIRMAN : It has to be before it because....

SHRI SOMAPPA R. BOMMAI : Where is the rule ? *(Interruptions).*

THE DEPUTY CHAIRMAN : If their names have come in the report.... (Interruptions). I have gone through it. *(Interruptions)*

SHRI SOMAPPA R. BOMMAI : Let me complete. If the discussion had taken place....

THE DEPUTY CHAIRMAN : Why was Malaviyaji allowed ?

SHRI SOMAPPA R. BOMMAI : Malaviyaji also has a right to give a personal explanation. But the personal explanation should have been at the end of the discussion. You have made an observation that Malaviyaji should have been given an opportunity. I agree with that. He should have been given an opportunity. But Members could have explained why they were not given an opportunity. The report may say something. *(Interruptions)*

THE DEPUTY CHAIRMAN : There is no discussion on it. ..*(Interruptions)*... There is no discussion on it.

SHRI P. UPENDRA : Madam, he can intervene in the course of the discussion. . . *(Interruptions)*..

SHRI MENTAY PADMANABHAM : Madam, as a Minister, he cannot give any personal explanation. *(Interruptions).* This is strange.. *(Interruptions)* ..

THE DEPUTY CHAIRMAN : This is not fair. *(Interruptions).* Please sit down. This is not fair. *(Interruptions)* This is not fair at all. Mr. Malaviya was a Minister___ Please sit down . Just a minute. Mr. Malaviya was a Minister when those. charges were levelled against him. I have allowed him in that capacity. Mr. Thakur is also a Minister. That is why I am allowing him. I don't make two different rules for two different Members. I will allow him. *(Interruptions).*

SHRI MENTAY PADMANABHAM : Madam, he is a Minister. He has every right to intervene. *(Interruptions).*

THE DEPUTY CHAIRMAN : Please sit down. *(Interruptions).* I will alow him. Under whatever rule he has asked, I will permit him. *(Interruptions).* I will permit him. Now no more discussion on it.

SHRI RAMESHWAR THAKUR : Madam, I am grateful to you for having given me an opportunity to offer my personal explanation.

The matter arose out of a letter which the then Member (Investigation), CBDT wrote to the Chairman, JPC on 7-7-1993. *(Interruptions).* The Chairman called for my comments through his letter dated 13-7-1993. I furnished my reply on 20-7-1993 and dealt with all the points in detail.

I would like to briefly reilerate the facts which I had mentioned to the Committee in my reply dated 20-7-1993, as it seemed to me that the position clearly explained by me ___ *(Interruptions)* ------ escaped clue consideration as the reasons given by me are not fully reflected in the report.

SHRI MENTAY PADMANABHAM : Is it different from the stand taken by the Government ? *(Interruptions).*

THE DEPUTY CHAIRMAN : Please. *(Interruptions).* I am not permitting. *(Interruptions).*

SHRI MENTAY PADMANABHAM : I am extremely sorry-------- *(Interruptions).*

THE DEPUTY CHAIRMAN : I am not permitting. *(Interruptions).* I am : not permitthsg anything.

SHRI MENTAY PADMANABHAM : Is he giving something which the Government has not given ?

SHRI E. BALANANDAN (Kerala) : Madam, his explanation has been considered by the JPC.

SHRl MENTAY PADMANABHAM : How can he be allowed as a Member---------- *(Interruptions).* Mas he resigned from the Government? *(Interrruptions).*

SHRI RAMESHWAR THAKUR : I may be permitted to add that after submission of my reply on 20-7-1993, no further faeries were made by the JPC, nor I was required to personally explain any details by the Committee, I naturally presumed that my reply has been found satisfactory by the Committee.

The file in question was actualiy put up.. *(Interruptions)...* to me only on 6-5-1982 and was cleared by me the same day and was marked to the FM. (*lnterrrtptions)*

SHRI SOMAPPA R. BOMMAI : He has already given his explanation. He had appeared before the JPC. *{Interruptions).*

THE DEPUTY CHAIRMAN : You are a Member of this House. We should always understand that the Home is for the Members. *(Interruptions}**

Today, people are Ministers. Tomorrow, they may not be. Today, people are sitting on this side. Yesterday, they were sitting here. Yesterday, you were hese. Today, you are there.. .*(interruptions).* just a minute. Please keep quiet. Please be serious... .*(Interruptions)* .... The thing is that rales are made for all Members-Let us not run the House in such a way that we have one set of rules for somebody and another for somebody else. This rale is for every body, whether sitting on the right, the left or in front, inctadiog yoo If you have any problems, I Witt protest you.,-... *(Interruptions)....*

SHRI P. UPENDRA : Madam, I want to comment on that_____ *(Interruptions).,.*

THE DEPUTY CHAIRMAN : I will protect you. ..*(interruptions)...* He wants to speak before the House _____ *(Interruptions)* ___

SHRI P. UPENIHIA : He has replied... *(Interraptions)*____ He wants to further clarify.. .*(Interruptiens)...*

SHRI RAMESHWAR THAKUR : The file in question was actually put up to me only on 6-5-92 and was cleared by me the same day awl marked to FM, I bad also pointed out that during the period 8-4-92 to 5-5-92, I was largely away on tourg to Nagpur—Valedictory Address at the National Academy of Direct Taxes, Paunar Ashram, Wardha, Madras; Tiropathi— AICC Session—Agra agra Bombay as Miiris-ter-m-waititg to the President of Turkmenistan and to Patna and was preoccupied with Parliamentary work during the Budget Session and I was engaged in urgent official duties including discussions with three foreign delegations and the three-day annual conference of Chief Commissioners of Income-Tax. ..*(Irtterruptioms).*

THE DEPUTY CHAIRMAN : it is his explanation. .,*(Interruptions)* ...

SHRI RAMESHWAR THAKUR : Also the file was not marked 'urgent*, 'im-nediafe*, 'important', 'secret', or 'confides-lial' and did not seek any decision, approval, instructions or orders, it was, sherefore, given a low priority by the office and put up to me only on 6-5-92. There was not even -a single enquiry or reminder about this note from Member (Ivestigation) either to roe or to my office. The said note dated 8-4-92 of Member (Investigation) did not constitute a file by itself but was sub-joined to a monthly reattae report titled "Highlights of Search and Seizure Operations durmg the month of March, 1992", stating that a total of 90S searches were conducted in the month of March, 1992 as compared to 912 is February, 1992 and contamed a

summary of about 28 important raids in 13 categories including the raid of HSM as one of the routine items. These monthly reports were being submitted every month by way of information on the action being taken by the Investigation Wing of CBDT. The practice of submitting these monthly reports prevailed in the Ministry since 1985 except for temporary stoppage during the period, February 1991 to October 1991, and was recommenced at my instance after I took over as MOS(R). No action was required to be taken on these files unless specifically sought for. If an individual action was to be taken, a separate file was opened for initiating action. I may add that as per established practice and official procedure such routine files do not normally reach the Minister or his table directly or immediately. Let me state, therefore, that neither the monthly report nor the note added thereto by Member (Investigation) was prepared with a view to seeking nor sought any specific permission, guidance or directive from me. Whatever follow-up action was required to be taken in pursuance of search and seizure operations mentioned in the report had to be done as per the established practice at the level of CBDT which is an independent authority to undertake the same. The Member (Investigation) required no approval or clearance from the Ministry of Finance to perform his designated functions. The report did not suggest even remotely that any search of seizure operations had been kept in abeyance till the report was perused by FS, MCS(R) or FM. The fact is that nothing was done and no action taken on this file even after the same was seen and returned by FM with his remarks. Wherever individual action in major significant cases like HSM group was to be taken, separate files were opened. Each of such files was cleared by me without any delay. ..*{Interruptions)* ...

SHRI SOMAPPA R. BOMMAI : It is not a statement. It is a report.

THE DEPUTY CHAIRMAN : Whatever it is, he is giving his explanation... , .*(Interruptions)*

SHRI MENTAY PADMANABHAM : He had already submitted it to the Committee and it was rejected.

THE DEPUTY CHAIRMAN : Have some courtesy.

SHRI RAMESWAR THAKUR : I would like to state before the hon. Members that in my said reply to the Chairman, JPC; IB had also pointed out—significantly— even in the note of Member (Investigation) of 4-5-92 (which was a file solely on searches on Harshad Mehta Group)—that there was no mention or suggestion that any action against HMS had been held up because of the file containing his said note dated 8-4-92 having not been cleared. He and his officers were free to take and were taking necessary action without any impediments. This policy of allowing the officers a free hand had been consistently reiterated by me, as is also acknowledged by the JPG itself vide para 17.35 in page 248 of its Report. I quote : "The Minister of State for Finance recorded the following note in this connection on 30 9-92. "It has been the Government's policy to give a free hand to the concerned authorities in charge of different wings/agencies connected with investigation etc. However, they must ensure coordinated action and take effective and prompt steps for it."

Hon. Members, the official records will amply bear out thai the Investigation Wing of the CBDT acquired a new impetus after I took over as the Minister of State for Rural Development in June 1991. The search and seizure operations which were stopped in February 1991, owing to refusal of staff to cooperate and participate in search because certain violent incidents
; against the officials on search duties in Gwalior and other places had" taken place. were restored. It was at my initiative and guidance that a scheme of compensation for officials engaged on search duties was finalised after prolonged negotiations, and the search operations were recommenced
, in November 1991, and continued vigorously thereafter. I would also point out,

in all humility, that the revenue collection ; touched a record level during my tenure *(Interruptions).*

SHRI PRAMOD MAHAJAN (Maharashtra) : He should be promoted for this.

SHRI RAMESHWAR THAKUR : I had also pointed out in my said reply and would like to reiterate it categorically here, before the hon. Memberi, that none of the files relating exclusively to Harshad Mehta and hit group or seeking any action from me were held up at any time and all of them were cleared without any delay.

Hon. Members, in summing up, I would like to say that the sole ground dis cernible from the Committee's Report for their expressing unhappiness' happens to be (he delay of 27 days in transmitting to the Finance Minister, the 'routine report of Income Tax raids for information only'. Besides categorically stating, as I have already done, that actually there was no delay at my level and there could be no motive on my part and none has been mentioned by the Committee either, for any delay, I would like to specially empha size before the august House that in any event the alleged delay did not result in any investigation being hampered or action being held up at any level. Thus, it is absolutely clear that the said file was actually a routine monthly report submitted for information only and, in fact, no further action was taken on this tile even after tie same wag seen by the Finance Minister and returned with his remarks to the Finance Secretary who, in turn, marked it to the Chairman, CBDT, and the Chairman marked it to the Member (Investigation) and, thereafter, there was no movement or further action on this file.

In order to allay any further doubts, I am placing the relevant part of my reply dated 20-7-93 to the Chairman, JPC, on the Table of the House with the permission of the Chair. [Placed in Library, *See* No. LT 5257/94]

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SHRI SOMAPPA R. BOMMAI : We expected his resignation at the end of his speech.

THE DEPUTY CHAIRMAN : Shri Ashok Mitra ___*(Interruptions)*

SHRI MENTAY PADMANABHAM : He may submit it to the Prime Minister for his comments.

SHORT DURATION DISCUSSION ON JPG REPORT ON IRREGULARITIES IN SECURITIES AND BANKING TRANSACTIONS

THE DEPUTY CHAIRMAN : Thirty minutes is the total time to your party for today's discussion. I hope you will remember that.

SHRl ASHOK MITRA (West Bengal) : Madam, I rise to discuss the report of the Joint Parliamentary Committee!—in this Short Duration Discussion. I wish for the sake of courtesy there were a straight answer from the Government—Mr. Shukla hat left but Mrs. Alva is present—whether r Committee which has been referred to today's newspapers, has, in fact, been formed. I wish there were a straight answer from the Government. That will be of help at least in my formulation. I would request a short answer from Mrs. Alva— 'yes' or 'no'. If that is not possible, I have to proceed on the assumption that.... *(Inerrupions)*....

THE DEPUTY CHAIRMAN : Yes, proceed.

SHRI ASHOK MITRA : ....such a Committee has been formed--------*(Interrup tions)* .....

: SHRI MENTAY PADMANABHAM (Andhra Pradesh) : Why is the Government wiyhholding information from Parliament ?